

*Senate Budget and Fiscal Review*  
SUBCOMMITTEE NO. 1

EDUCATION  
Jack Scott, Chair  
John Vasconcellos  
Bob Margett

**OUTCOMES**

**Monday, March 22, 2004**  
**1:30 p.m.**  
**Room 113**

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## **I. INTERSEGMENTAL ISSUES**

### ***A. ENROLLMENT GROWTH.***

GOVERNOR'S BUDGET PROPOSAL. The Governor's 2004-05 Budget provides no new funding to support enrollment growth at the University of California (UC) or California State University (CSU). At the California Community Colleges (CCC), the Governor's Budget provides \$121 million to support an approximately 33,000 additional full-time equivalent students (FTES), or 3 percent growth.

**No Action Taken**

### ***B. DUAL ADMISSIONS PROGRAM.***

GOVERNOR'S BUDGET PROPOSAL. The Governor's 2004-05 Budget proposes to redirect 10 percent (7,000 FTES) of the incoming freshmen class at UC and CSU to the community colleges under a new Dual Admissions Program. The Administration proposes establishing this Dual Admissions program in statute (thus creating a mandate for the CSU and the Community Colleges). The bill carrying this proposal (Assembly Bill 2833, Plescia) will be addressed via the policy committee process.

**Action: Reject Governor's proposal to waiver of fees for Dual Admissions participants. According to DOF, no monetary savings to be scored with this action due to an oversight in Jan. 10 proposal which neglected to provide General Fund backfill for these students. (2-1)**

## **II. COMMUNITY COLLEGES**

### ***A. OVERVIEW***

**No Action Taken**

### ***B. EQUALIZATION***

GOVERNOR'S BUDGET PROPOSAL. The Governor's January Budget originally proposed to provide \$80 million to address disparities in base apportionment funding among the Community Colleges districts; this proposal has since been revised to \$59.8 million.

Currently, funding per FTES varies from about \$3,541 to \$8,192, with the statewide average being about \$3,800. Under the Governor's proposal, funding would be allocated out to districts pursuant to legislation (to be addressed through the policy committee process). Specifically, the Governor's proposal mirrors the K-12 equalization proposal by striving to equalize funding for districts up to a level equivalent to the 90<sup>th</sup> percentile.

**Action: Delete Provision 6 of Item 6870-101-0001; instead have methodology for dispersing any funds allocated for equalization to occur via statute rather than Budget Bill Language. (3-0)**

**Funding for Equalization held open, pending the May Revision.**

### ***C. ELIMINATION OF SELECT CATEGORICAL PROGRAMS***

GOVERNOR'S BUDGET PROPOSAL. The Governor's Budget proposes to eliminate funding for two smaller categorical programs: The Teacher and Reading Development Partnership Programs (\$3.7 million) and the Fund for Instructional Improvement (\$312,000); the Governor then redirects this \$4 million in savings to provide funding for approximately 1,900 (1.95 percent) new FTES in noncredit instructional programs. In order to receive these funds, districts would need to enroll additional noncredit students (as opposed to increasing the rate per student).

**Action: Approve elimination of Teacher and Reading Development Partnership Program and Fund for Instructional Improvement for General Fund (P-98) savings of \$4 million. (3-0)**

**Redirection of funds for noncredit enrollment growth is held open, pending the May Revision.**

### ***D. CATEGORICAL PROGRAM CONSOLIDATION***

**Action: Approve the movement of the Partnership for Excellence funding into the base Apportionments budget. Further discussion regarding the establishment of a set of outcomes and/or accountability criteria is pending. (3-0)**

**Remainder of proposal to consolidate (1) matriculation; (2) part-time faculty programs; and (3) TTIP remain open.**

**No action was taken to consolidate other categorical programs or to "collapse" Budget Act schedules.**

### **III. COMMUNITY COLLEGES CHANCELLOR'S OFFICE**

GOVERNOR'S BUDGET PROPOSAL. The Governor's January Budget proposes to retain the revised current-year funding level for the Community Colleges Chancellor's Office. Specifically, the Governor proposes a total of 144.2 Personal Years and \$16.8 million (\$8.6 million General Fund) to support the Chancellor's Office operations for 2004-05. The bulk of the reductions to the Chancellor's Office occurred within the last two years when support was reduced by approximately 50 PYs and over \$2.3 million General Fund (from \$10.9 million General Fund to \$8.6 million). These reductions resulted in employee layoffs and a substantial reduction in services.

**Action: Approve Chancellor's Office "as budgeted" with one-time augmentation of \$300,000 per above-noted request. (3-0)**

**Proposed Consent (Approved 3-0)**

Staff recommends that the following items be Approved as Budgeted.

- 6440-001-0046. Support, University of California Institute of Transportation Studies \$980,000
- 6440-001-0007. Support, University of California Breast Cancer Research \$14,920,000
- 6440-001-0234. Support, University of California Cigarette and Tobacco Products Surtax Fund, Research Account \$14,253,000
- 6440-001-0308. Support, University of California Earthquake Risk Reduction Fund \$1,500,000
- 6440-001-0321. Support, University of California Oil Spill Response Trust Fund \$1,300,000
- 6440-001-0814. Support, University of California State Lottery Education Fund \$23,612,000
- 6440-001-0890. Support, University of California Federal Trust Fund – GEAR UP - \$5,000,000
- 6440-001-0945. Support, University of California California Breast Cancer Research \$927,000
- 6440-002-0001. Support, University of California Prior year deferral of expenditures (\$55,000,000)
- 6440-003-0001. Support, University of California Lease-Revenue Debt Service \$138,183,000
- 6440-011-0042. Support, University of California Payable from State Highway Account for Earthquake Risk Reduction (\$1,000,000)
- 6610-001-0890. Support, California State University Federal Trust Fund \$41,739,000
- 6610-003-0001. Support, University of California Lease-Revenue Debt Service \$61,595,000
- 6870-101-0814. Local Assistance, California Community Colleges State Lottery Education Fund \$140,922,000
- 6870-101-0925. Local Assistance, California Community Colleges California Business Resources and Assistance Innovation Network Fund \$15,000
- 6870-101-0959. Local Assistance, California Community Colleges Foster Children and Parent Training Fund \$2,379,000
- 6870-103-0001. Local Assistance, California Community Colleges Lease-Revenue Debt Service \$57,381,000
- 6870-111-0001. Local Assistance, California Community Colleges CalWORKS, Americorps, Vocational Education, Foster Parent Training. \$0